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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 13, 2001

REQUEST OF

ALLEGHENY POWER

CASE NO. PUE010365

For waiver of certain provisions of the Rules Governing Retail Access to Competitive Energy Services

ORDER PERMITTING RESPONSES TO REQUEST

On June 19, 2001, the State Corporation Commission ("Commission") entered an order in Case No. PUE010013 adopting Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10 et seq., effective August 1, 2001, to be applicable to the implementation of full or phased-in retail access to competitive energy services in the service territory of each local distribution company. The Retail Access Rules provides that a request for waiver of any provisions of the Retail Access Rules shall be considered by the Commission on a case-by-case basis. Any waiver may be granted upon such terms and conditions as the Commission may impose.

On July 5, 2001, Allegheny Power ("Allegheny" or the "Company") filed a request for the Commission to consider a waiver of 20 VAC 5-312-80 F. In support of its request, Allegheny states that it uses the "last-in" approach for

enrollment of a customer submitted by a competitive service provider ("CSP") in Maryland, Ohio, and Pennsylvania, and the Company argues that such an approach does not affect the enrollment window and effective switch date or force CSPs to hold transactions. The Company argues that if required to use the "first-in" approach provided by 20 VAC 5-312-80 F, additional system modifications and training will be required.

Allegheny further requested that the Commission consider additional issues regarding 20 VAC 5-312-30 I 1 and 20 VAC 5-312-90 K of the Retail Access Rules. 20 VAC 5-312-30 I 1 contains asymmetric pricing provisions for affiliate transactions which Allegheny states are contrary to controlling federal regulations applicable to the Company. Allegheny states that it reserves the right to apply for exceptions to these provisions on a case-by-case basis for transactions between the Company and its affiliate Allegheny Energy Supply Company, LLC. Allegheny states that it intends to comply with 20 VAC 5-312-90 K and will file its plan to communicate "price-to-compare" information with the Commission by October 1, 2001. However, Allegheny notes that in the event the Company has not received approval on the unbundled rates filed in Case No. PUE000280 by the deadline, customers' "price-to-compare" could not be included in its plan.

NOW UPON CONSIDERATION of the request, we find that this matter should be docketed and that interested parties and Staff should have the opportunity to respond to Allegheny's request. We also find that the Company should be permitted to respond to any comments filed in response to its request.

Accordingly, IT IS ORDERED THAT:

- (1) This matter shall be docketed as Case No. PUE010365.
- (2) Allegheny shall promptly make a copy of its request available at no charge. Copies of the request may be obtained by contacting counsel for Allegheny, Philip J. Bray, Attorney, Allegheny Power, 10435 Downsville Pike, Hagerstown, MD 21740-1766. The request may also be reviewed during regular business hours at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.
- (3) On or before July 27, 2001, interested parties and Staff may file responses to Allegheny's request with Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. A copy of a response shall be simultaneously served on counsel for the Company at the address set forth above and on Commission Staff.
- (4) On or before August 6, 2001, Allegheny may reply to any comments filed by interested parties and Commission Staff with the Clerk of the Commission at the address set forth above.

A copy of a reply shall be simultaneously served on the interested party and on Commission Staff.

(5) This matter is continued for further orders of the Commission.